

# US Renovation and Remodeling Market

Sector M&A Brief Review

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# US Home Renovation and Remodeling Industry M&A Overview

- In the rising interest rates climate, homeowners are deferring new home purchases to avoid higher mortgage
  - Instead, people are choosing to remodel by renovating and upgrading their existing homes
- Homeowners are willing to pay more for sustainable and energy-efficient products, reflecting a growing trend towards environmentally friendly and cost-saving home improvements
  - Key sustainable products seeing increased demand include – solar panels, bamboo flooring, LED lights, etc.

## Trends in US Regional Markets

- In 2023, California led the residential remodeling market with a 13.8% share, driven by rising construction and property rates. The high GDP, active construction sector, and high per capita income fueled this demand
- Similarly, the demand for residential remodeling has surged in Texas due to the high costs of building new homes and lengthy construction period of 9-12 months

## Key Trends Shaping Renovation and Remodelling M&A Market

**PE firms to invest in remodeling companies to drive growth and expansion strategies and benefit from the rising demand for remodeling services**

**Increasing M&A demand for remodeling companies having diverse technology offerings**

**As the market becomes more competitive, smaller remodeling companies are being acquired by larger ones to:**

- **Expand their service offerings**
- **Increase geographic reach**
- **Boost operational efficiency**

**Many operators are shifting their focus towards remodeling products and market channels due to weakness in existing home sale, adapting and increase demand for home improvements**

# US Home Renovation and Remodeling Industry Overview

## Key Offerings



### Kitchen and Bathroom Renovations

These are among the most popular home improvement projects, driven by homeowners' desire to upgrade aesthetics and functionality of their bathrooms, kitchen, etc.



### Roofing, Windows, and Siding

Many companies are expanding their services to include comprehensive exterior renovations such as roofing, window replacements, siding, and gutters to provide a holistic approach to home improvement



### HVAC, Electrical, and Plumbing Services

Upgrading heating, ventilation, air conditioning systems, electrical wiring, and plumbing is considered crucial for improving energy efficiency and safety in homes



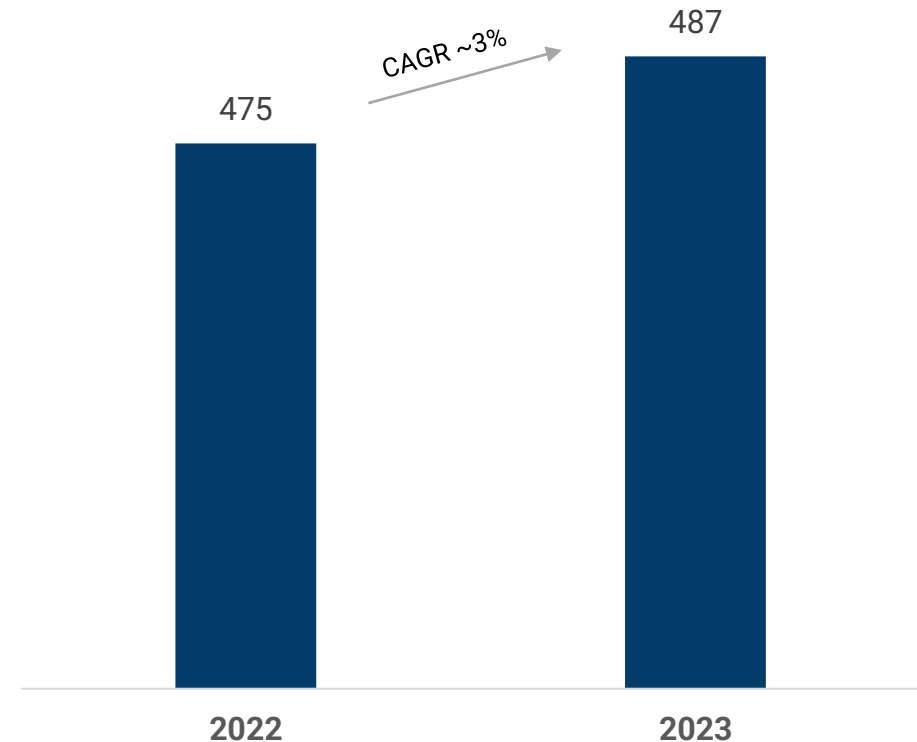
### Flooring and Painting

Installing new flooring and interior painting are common projects that significantly enhance the look and feel of a home, often yielding high satisfaction among homeowners

Source: Grand view research, Company Press Releases

## US Home Improvement Market Size and Growth

\$ Bn



Source : Studies at Harvard University, Market Research

# Renovation and Remodeling Market: Key Trends

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## Integration of Technology

Tech integration is a major trend with features like voice assistants controlling lights and thermostats, appliances like refrigerators, ovens, washing machines, and even toilets can now be connected to Wi-Fi



## Aging-in-Place Modifications

Universal design is the new standard for renovations, making homes comfortable and accessible for all ages. Wider doorways, grab bars in bathrooms, and walk-in showers are becoming commonplace



## Rising Disposable Income

As disposable incomes increase, particularly in developing countries, homeowners are expected to have more money to invest in improving their existing homes resulting in more demand for remodelers



## Surge in demand by Millennials

The US home improvement market is experiencing a surge in demand fueled by Millennials entering their prime homeownership years. This tech-savvy, budget-conscious generation has distinct renovation preferences



## Diversification of Offerings by Roofing Companies

Roofing companies are expanding their services to include a variety of other residential needs, such as windows, doors, sidings, and gutters. This strategic diversification helps them provide comprehensive solutions for home improvement projects

# Recently Active Private Equity Buyers

## Direct Acquisitions

PE Firm

Target



## Platform Acquisitions

PE Firm


Platform Company

Target



# Recently Active Strategic Buyers



 *has acquired* →   
Titan Holdings has acquired MAXHOME, Making Homes Happier.

 *has acquired* →    
Great Day Improvements has acquired K DESIGNERS HOME REMODELING LEADER and HPA.

 *has acquired* →   
Stronghouse Solutions has acquired Marshall, ROOFING • SIDING • WINDOWS.

 *has acquired* →   
Leafhome, Live comfortable. Live safe. Live happy. has acquired Window Works.

 *has acquired* →   
Elite Construction Solutions has acquired Aspen Exteriors.

 *has acquired* →   
Valet Living, Setting the Standard, has acquired A RITE WAY MULTIFAMILY SOLUTIONS.

# Select M&A deals in Home Renovation and Remodeling Industry

Date	Target	Acquiror(s) / Investor(s)	Target Business Description
Jun-24	Renuity, LLC	Greenbriar Equity Group, LP	Renuity is a national leader in quick (1-2 day) home renovations. They focus on windows, doors, bathroom remodels, kitchen cabinet refacing, garage floor coatings, and closet organization
Feb-24	Springhouse Architects, LLC	Studi:yo-b architects, LLC	Springhouse Architects, in Dayton, Cincinnati, and Columbus, Ohio, guides families in designing and building their dream homes. They combine architectural expertise with a client-centric approach, focusing on functionality, aesthetics, and creating a cherished living space
Dec-23	Home Performance Alliance	Great Day Improvements	House Performance Alliance provides home performance solutions including energy efficiency assessments, insulation, HVAC systems, and window and door installations to enhance residential energy performance and comfort
Oct-23	K-designers	Great Day Improvements	K Designers is a well-established home improvement company in the western United States, specializing in siding, windows, doors, and bathroom remodeling
May-23	Marshall Building and Remodeling, Inc	Stronghouse Solutions	Marshall Building and Remodeling (since 1983) specializes in exterior renovations for homes and businesses. Their services include roofing, siding, window installation, and deck building
Aug-22	A-Riteway of All Counties LLC	Valvet Living	A-Riteway of All Counties LLC specializes in renovations and construction for multifamily properties (apartments) in Florida. They offer a variety of services including interior/exterior renovations, demolitions, painting, plumbing, and electrical work
Jul-22	Reborn Home Solutions	Renovo Home Partners	Reborn Home Solutions was a home improvement company focusing on cabinetry (refacing, replacement, custom), kitchen & bath remodels, shower conversions, and window replacement
Dec-21	Max home	Titan Holdings	MaxHome, LLC (formerly Max Home / New Bath) is a full service home improvement company serving the Houston, TX, New Orleans, LA and Baton Rouge, LA metro areas
Dec-21	Window Works	Leaf Home	Window Works installs and sells new windows & doors for homes. They cater to homeowners seeking upgrades or repairs, focusing on improved aesthetics, energy efficiency, and functionality
-	Aspen Exteriors	Elite Construction Solutions	Aspen Exteriors is a reputable company focused on exterior home improvement services, specializing in roofing, storm damage restoration, and siding



## Have questions about this report or would like to speak to our team?

Reach out to:



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## Industry Expertise: Residential & Commercial Services



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HVACR



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Pool Maintenance



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Restoration & Remediation



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